Union surrenders benefits, wages in sellout of California grocery strike

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The United Food & Commercial Workers Union (UFCW) surrendered to all of the major demands of the supermarket chains after a19-week strike/lockout of 59,000 workers in Southern California. This betrayal of the longest work stoppage in the history of the US supermarket industry sets the stage for devastating rollbacks in the working conditions and living standards for hundreds of thousands of workers who already face low wages and brutal exploitation.

Union members met over the weekend to vote on the agreement, which was announced on Thursday. They were handed a 16-page summary and advised by the union to approve it with little discussion. On Sunday evening the UFCW announced that the contract had been ratified by 86 percent of those who voted, and gave no other details.

The overwhelming "yes" vote was anything but an expression of support for either the contract or the union leadership. The prevailing sentiment among the workers was disgust and bitterness over the union cave-in to the companies' concessions demands, but the vast majority had no confidence that the union would fight for anything better and saw no alternative to accepting the deal.

A 25-year-old cashier at a Ralph's supermarket in the Los Angeles area who voted to ratify the pact spoke for many of the workers when, interviewed at a polling place in Hollywood, he told the *Los Angeles Times*, "It was take it, or there's the door. They are all thieves, the companies and the unions. They're just sticking it to us."

The contract includes unprecedented concessions to the supermarket chains involved in the dispute—Vons and Pavilions, which are owned by the national Safeway chain, Ralph's, owned by Kroger, Inc., and Albertson's. The three-year pact imposes a two-tier wage system, slashing starting wages and benefits for new-hires, and caps the employers' contributions to the workers' medical insurance program for all workers. This provision will result in growing cuts in employee health benefits over time.

Beginning in the third year of the contract, employees will for the first time pay part of their medical insurance premiums. In addition, the contract abolishes the "maintenance of benefits" requirement. This means that as medical and pension costs increase, management will reduce the amount and quality of benefits that it will provide, forcing supermarket workers to absorb the cost or lose health care. Current workers will pay 35 percent of their monthly pension contribution, up from zero percent under the old contract.

The contract gives the grocery chains the right to downgrade pension benefits and forces retirees to shoulder the increasing costs of medical care.

The workers, among the lowest-paid of unionized employees, will receive no wage increase over the entire life of the contract. Instead, they will get two paltry lump sum payments, one now and one in 2006. The maximum amount of these bonuses will be either $250 or $500 for full-time employees—more for clerks and less for helpers. The bonuses will be pro-rated downwards for part-timers, who make up 70 percent of the work force.

New workers' wages and benefits will be driven down to levels similar to those paid by non-union companies such as Wal-Mart. Starting wages will be reduced to $7.55 an hour for most workers, with their top pay never rising above $11.05, a full dollar less than the current rate. The top rate for the highest category of new-hires, meat cutters, will be $16.38, almost $4 less than the wage of current meat cutters.

The employers will cap payments for medical care for new-hires at $1.10 per hour worked, $3.50 less than the cap for current workers. New workers will not be eligible for medical benefits for a full year after being hired, and their dependents will have to wait two-and-half years. New hires will have to pay 65 percent of their retirement contributions. Upon retirement, new-hires will have no medical benefits at all.

The second-tier compensation for new-hires directly threatens existing workers, the majority of whom have been compelled to work part-time so the markets can avoid paying them full-time wages and benefits. As the new-hires become a larger proportion of the workforce and gain experience, the markets will be able to secure substantial savings by scheduling them to work instead of more senior employees, especially during the more lucrative holiday periods.

It is not only the 59,000 workers who were on strike or locked out who will suffer the consequences of this union betrayal. The new contract also covers 11,000 employees at two other grocery chains, Gelsons and Stater Brothers, who remained on the job throughout the work stoppage.

Moreover, the Southern California contract will set the pattern for the rest of the country. Between now and mid-October, Safeway will negotiate five contracts, including one in Northern California, and Kroger will negotiate nine agreements.

The agreement confirms the analysis and warnings issued by the *World Socialist Web Site* since the beginning of the strike/lockout. The WSWS has repeatedly explained that the interests and aims of the UFCW apparatus are opposed to those of the workers it nominally represents.

The overriding concern of the UFCW throughout the contract dispute has been to restructure its relationship with the owners—under the new market conditions created by the growing presence of non-union, low-wage competitors such as Wal-Mart—at the expense of the union rank-and-file. (See: "A warning to California grocery workers: Trumka, AFL-CIO preparing final act in betrayal").

The UFCW indicated its readiness to sacrifice the wages and benefits of its members in a letter to the employers dated February 10. It read: "We agree, as your letter states, that 'the unions uniquely understand the challenges facing our industry.' Unfortunately your intractable position at the bargaining table has so far precluded the unions from using its [sic] unique knowledge to fashion a mutually agreeable resolution to our dispute. ... We believe it is essential that the parties resolve this dispute in a manner that both sides can mutually agree upon. Anything short of that would threaten the future of our industry more than the perceived competitive threat that you are focused on."

In an interview with the *Los Angeles Times* published on February 16, UFCW Local 770 President Rick Icaza made clear that the central concern of the union bureaucracy was to maintain its dues base, which is critical to sustaining the bloated salaries and perks of the union officialdom. "My goal was to leave the union in good financial position before I retired," said Icaza. The local union president worried that "the unions will have no basis for collecting even dues."

To achieve this goal, he and his fellow bureaucrats are prepared to collaborate in reducing the living standards and gutting the working conditions of the rank-and-file.

The dispute began October 11, 2003 when 21,000 workers in Southern California struck Vons and Pavilions. The next day Ralph's and Albertsons locked out their 38,000 Southern California UFCW employees.

The Southern California strike/lockout was the most bitter and protracted in a series of contract disputes between UFCW workers and supermarket chains in various parts of the country. On October 13, 3,300 grocery clerks struck the Kroger chain of 44 markets in West Virginia, Kentucky and Tennessee over the same basic issues as in California. A settlement was reached in that dispute last December that included a cap on employer contributions to the workers' health insurance fund, an essential element in the sellout in Southern California.

Other contracts were signed that followed the same pattern at Kroger markets in Tennessee and Mississippi, and Stop and Save stores in Massachusetts, Connecticut and Rhode Island.

The UFCW kept all of these struggles isolated from one another, even as it worked to isolate and wear down the rank-and-file in Southern California, the biggest and most important of the contract disputes. This was part of a calculated strategy to inflict a defeat on the workers that would crush their resistance to the concessions being demanded by the employers. In this way, the union bureaucracy sought to prove its utility to the bosses and thereby defend its power and privileges.

Everything that took place in Southern California was in line with this duplicitous policy: the refusal of the union to seriously oppose the supermarket chains' use of strikebreakers; the termination, three weeks into the work stoppage, of picketing at Kroger-owned Ralph's markets; and the UFCW's own contract proposal, made in December, that included sweeping benefit cuts calculated to save the owners between $350 million and $500 million.

The union carried out these back-stabbing moves despite clear evidence of strong public support for the striking and locked-out workers. For weeks on end, consumers in Southern California stayed away from the supermarkets involved in the dispute, resulting in significant financial losses for the companies. Traffic at the three chains never approached normal volume, even as the union did its best to weaken the strike and demonstrate to the public that it had no intention of fighting to shut down their stores.

Finally, at the beginning of 2004, the UFCW slashed the Southern California workers' picket-line pay in half and ended their health benefits, forcing hundreds of them to seek other jobs.

While the Southern California workers were being starved out on the picket line, the UFCW kept its members working at Safeway stores in Chicago and Arizona, where contracts had expired. In Southern California itself, the UFCW agreed on February 13 to extend the current contract with Kroger-owned Food 4 Less until April 4—to make sure the striking and locked-out workers remained isolated and provide the bureaucracy with sufficient time to engineer a sellout.

In carrying out this betrayal, the UFCW worked in collusion with the national AFL-CIO leadership. In January, AFL-CIO Secretary Treasurer Richard Trumka was sent to California to directly oversee the contract talks. This signified the final stage in the undermining of the workers' struggle. The union bureaucracy attempted, with little success, to mask its double dealing by holding a few rallies and sponsoring isolated protest stunts.

Even the *Los Angeles Times* expressed perplexity over the union's self-defeating conduct of the strike. In an article published on January 22, the *Times* wondered why the union was pursuing such a palpably failing strategy. The article dismissed the UFCW's explanation that it was caught by surprise by the employers' ability to resist the strike. "But the nationwide consolidation of the supermarket business didn't occur overnight; it has been going on for most of those 15 years, and by no means secretly," it stated.

The betrayal of the supermarket workers is not an aberration. Rather, it is the latest example of a hard-and-fast rule. For more than a quarter century—since the union-backed bailout of Chrysler in 1979-80 and the sabotage of the PATCO air traffic controllers' strike in 1981—the American trade union bureaucracy has colluded with big business and the government to isolate and betray scores of struggles against wage-cutting and union-busting in virtually every industry—auto, steel, transportation, mining and the service sector.

The unions have utilized these defeats to intensify their collaboration with the big employers, establishing a web of corporatist union-management structures to boost the profitability of the companies and heighten their exploitation of the workers.

The supermarket workers have suffered huge losses from which they will never recover. But for the UFCW bureaucrats, it is business as usual. An enormous social chasm separates working families from the union officials. Men like Icaza have far more in common with the CEOs of the grocery chains than with the workers whose interests they claim to represent.

Icaza, who is also president of the Los Angeles County Labor Council, is paid $273,000 a year in salary as Local 770 president. He is also a multi-millionaire real estate speculator, owning ten residential and commercial properties.

In the aftermath of the grocery strike, and the many similar betrayals carried out by the AFL-CIO unions, it is critical that workers take stock and draw the essential lessons. The unwillingness of the union bureaucracy to wage a struggle in defense of workers' interests cannot be explained simply on the basis of the personal corruption or cowardice of this or that union bureaucrat. It is rooted in objective conditions and the fundamental nature and perspective of the official unions.

The UFCW and the AFL-CIO as a whole defend the profit system and oppose any struggle that challenges the basic premise of this system: the subordination of social needs to the accumulation of corporate profit and personal wealth. The crisis of the system drives the ruling elite to relentlessly attack the living standards, jobs and working conditions of labor, pushing each corporation to undercut its competitors by intensifying the exploitation of its work force.

As organizations that defend the profit system, the official unions inevitably collaborate with the bosses to increase corporate competitiveness and profitability at the expense of the workers. For the union bureaucracy, this service to the ruling elite is the prerequisite for the maintenance of its privileged position. It carries out this function not only by selling out contracts and betraying strikes, but, above all, by subordinating the working class politically to the corporate elite and its two-party system—principally through its alliance with the Democratic Party.

It is only on the basis of a political struggle against the profit system as a whole that the interests of workers can be defended. This means a break with the Democratic Party and the building of a mass independent party of working people—one that places the needs of workers before the profits of the capitalist owners. Only on the basis of such a socialist strategy can the class-struggle traditions of the past be revived and the industrial strength of the working class be mobilized to stop strike-breaking, union-busting and wage-cutting.

The working class requires new organizations of struggle—above all, its own socialist party—to defend even its most basic interests. This is the central lesson of the grocery workers' struggle.